



## Learning by thinking – and doing

*Tamagawa University teaches students to solve real business problems with SAS*

Picture this: a group of people are discussing the future of their business. In just three hours they cover a vast range of topics, including: the choice of a strategic target, and how a strategic map should be drawn up to increase profit per customer; expansion of business through channel partners; international business; and the sale of third-party products and services. They also cover the way in which strategic targets, including a marketing plan, sales tools and use of corporate data, impact on one another in the pursuit of the objective of maximizing profit. They do all this using a sophisticated business technology solution to create a balanced scorecard. So who are these individuals: “C”-level directors perhaps, management consultants, or IT professionals? Or a combination of all three?

In fact they are students of the Department of Industrial Engineering in the Faculty of Engineering at Tamagawa University in Japan. The class they are taking is called Business Strategy Analysis Training, and the software they are using is SAS® Strategic Performance Management.

Kazunori Ito, Associate Professor of Tamagawa University’s Department of Industrial Engineering, explains why he believes that this class is a major innovation in Japanese university

education. “The objective of the course is to learn a way of thinking through the processes of creating management strategy proposals. I introduce some aspects of enterprise value, but the students themselves must think about shareholder value and the balanced scorecard. The course features drawing up a strategic map for each case study and building the map with software, as well as studying theories.”

In fact, the course is a complete contrast to traditional university teaching methods, in which professors lecture on their subject of expertise in front of students, or evaluate the extent to which the students’ answers to a question match their own. In Ito’s class the focus is on solving real-world business problems, such as “Online Service of Wells Fargo Bank”, a case study prepared by Harvard Business School under the supervision of Robert Kaplan, the leading advocate of the balanced scorecard, with interview material from The Balanced Scorecard Collaborative Inc., headed by David Norton. The course is not designed simply to reinforce industrial engineering studies, but is rather intended to prepare fourth-year students for the next stage in their development at graduate school or in the real business world.



Ito's brief to the students is concise and to the point. The objective is to "increase and maintain high added value and potentially high added value" based on the four elements of finance, customers, internal business processes, and learning and growth. It's then up to the students: Ito only answers questions to facilitate discussion and act as a moderator; he does not provide solutions to the problem itself. "The essence of the exercise is that the students must draw up a strategic map themselves and learn from each other in small groups. I don't make any summaries or show any answers. My role is only to prepare an environment," says Ito.

### **SAS® software facilitates learning**

#### **SAS Strategic Performance**

Management is flexible and features a highly user-friendly interface, one that allows the students to focus on the business issue without running into technical frustration. Associate Professor Ito, who has studied many companies in the US and worked with The Balanced Scorecard Collaborative Inc., is firm in his views about the requirements of software for balanced scorecard implementations. "I see more and more failures caused by misunderstandings of the original principles behind the balanced scorecard. For example, failure to define the relationship between goal and measures, or failure to set any target value. By contrast, SAS Strategic Performance Management supports the balanced scorecard as envisaged

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by Kaplan and Norton. Its strength is that it does not use ready-made templates, but gives users the flexibility to think in terms of implementing a strategy on its own merits, not necessarily limited to the conventional four elements. A SAS solution can handle any viewpoint," says Ito.

Masakazu Kozakai, an assistant in the University's Department of Business Administration and researcher at the Research Institute at Aoyama University, gives practical instruction in the use of SAS Strategic Performance Management. He explains the thinking behind the

e-learning projects that have been developed by the Research Institute with the backing of Japan's Ministry of International Trade and Industry. He says, "We endeavoured to popularize the learning method so that students can experience actual business processes in a virtual environment. Recently, we've been receiving rave reviews and fielding enquiries from other universities that have indicated they would like to introduce the method. However, it requires a huge amount of time to prepare the curriculum, and we would like to increase the degree of sophistication in the course, share the know-how and utilize it to develop the course further in cooperation with Mr Ito."

The course is a break with traditional teaching methods but Ito believes it meets the needs of motivated students who want to learn what is really useful in the business world. He says, "We urge students to use their own intelligence and to gain hands-on experience of software. With SAS Strategic Performance Management, they can enhance their understanding and arouse their interest in the balanced scorecard and business strategies. We would like to continue the course, supported by SAS, and introduce further case studies."



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